

**Income Maintenance Advisory Committee  
Department of Health and Family Services and  
Department of Workforce Development**

**\*MINUTES\***

Thursday, May 16, 2002

GEF III, Room 041

Madison, Wisconsin

1:00 p.m. – 3:30 p.m.

**County Attendees:** **Jackie Bennett**, Racine Co. WDC, **Joanne Faber**, Washington Co., DSS, **Liz Green**, Dane Co. DHS, **Jane Huebsch**, Marathon Co. DSS, **Ed Kamin**, Tri-Chair, Kenosha Co. DHS, **Robert Macaux**, Florence Co., DHS, **Michael Poma**, Milwaukee Co., DHS, **John Rathman**, Outagamie Co., **Sue Schmitz**, Waukesha Co., **Sheryl Siegl**, Winnebago Co. DHS,

**State Attendees:** **Rick Zynda**, Tri-Chair, DWD/DWS/ONSPI, **Jim Jones**, DHFS/DHCF/BHCE, **John Haine**, DHFS/DHCF/BHCE, **Sue Reinardy**, DHFS/DMT, **Amy Mendel-Clemens**, DWD/BPS/Call Center, **Jill Jokela**, DWD/ASD/BITS, **Vicki Jessup**, DHFS/DHCF/BHCE, **Teresa Pierce**, DWD/DWS, **Jodi Ross**, DWD/BWS, **Edie Sprehn**, DWD/DWS/BPS, **Kathy Gugel**, DHFS/DHCF/BHCE.

**GENERAL ADMINISTRATIVE ANNOUNCEMENTS**

February 2002 minutes were approved with the following comment by Bob Macaux. Bob wanted to clarify information in the minutes relating to the IM Contracts:

“The overall allocation, \$57 MN, is inadequate as were the individual allocations. The entire delivery system is underfunded.”

*(Note: Minutes are available on-line on the Internet Partner Page –*  
<http://www.dwd.state.wi.us/desw2/imac/minutes/2001/2001-minutes.htm>

*Minutes for 2002 will be accessed on the Internet Partner Page –*  
<http://www.dwd.state.wi.us/desw2/imac/minutes/2002/2002 – minutes.htm>

**ADMINISTRATIVE ITEMS**

*IMAC and W-2 Contract Implementation Committee (CIC):*

Ed Kamin informed the committee that CIC worked on the IMAC Committee Structure. The plan is to have issues that are brought to IMAC assigned to one of the workload study committees. The workload study committee that gets the assignment will provide possible solutions on the issue to IMAC, after discussion and research. It will then be IMAC's responsibility to forward the recommendation on the issue to the appropriate source. The subcommittees are:

- WCHSA/ES/TAC
- Program Simplification
- Food Stamp Error Reduction
- IT/CARES User Group

Two existing groups will become ad hoc committees, as opposed to IMAC formal subcommittees. These are:

- Food Stamp E-Group
- MA Tech Team (meets by monthly conference call)

*Food Stamp Error Reduction:*

Rick Zynda provided an update and handouts on the Food Stamp Error Rate. A letter was sent to Governor McCallum, from the U.S. Department of Agriculture, in April regarding Wisconsin's FS Error Rate and Sanction for FFY 2001. Wisconsin's overpayment error rate was determined to be 9.26 percent and its underpayment error rate was determined to be 3.88 percent, resulting in a combined food stamp final payment error rate of 13.14 percent for the fiscal year. The national average payment error rate (national performance measure) for FY 2001 was 8.66 percent.

States whose combined error rates for overpayments and underpayments exceed the national performance measure are subject to a liability, while states with low error rates receive incentive payments. Wisconsin is subject to a liability of \$3,533,259 based on its performance for FY 2001.

The USDA applied a factor to reduce the FY 2001 liabilities for all States who had a high proportion of earners and immigrants in their caseloads. The net impact of the reduction changes Wisconsin's liability from \$3,533,259 to \$2,877,550.

Wisconsin will file an appeal based on good cause. Reasons for good cause include:

- Caseload – Wisconsin's caseload increased approximately 20%
- Implementation of new/changed programs – TANF and Medicaid (simplified process)

Wisconsin will have 60 days to file an appeal. After the appeal process Wisconsin will know what the reinvestment amount will be.

**FARM BILL UPDATE**

Rick Zynda updated the committee that the Farm Bill was approved and signed into law on May 13, 2002. Highlights of the approved bill include:

- Simplifies Definition of Income - Allows states to conform food stamp income definitions to those used for TANF and Medicaid.
- Raises Standard Deductions - Replaces the current, fixed standard deduction with a deduction that varies according to household size and is adjusted annually for cost-of-living increases. Larger households will receive a higher deduction than they currently do.
- Extends Transitional Food Stamps – Provides states with the option of providing five months (instead of three months) of transitional food stamps to individuals leaving TANF.
- Reform Quality Control (QC) – Agreement makes substantial changes to the QC system that measures states' payment accuracy in issuing food stamp benefits. The QC process will be virtually the same, but the penalty and sanction formulas and policies will be revised significantly – to the benefit of most states.
- Changes State Performance Measures – This bill replaces the current system of enhanced funding that is based on error rates with \$48 million each year for new performance bonuses to states. There will be several separate categories, allowing more states to earn bonuses in areas beyond only payment accuracy (i.e., customer service, program improvements, etc.)

- Simplifies Application/Eligibility Determination Systems – Authorizes up to \$5 million for grants to states to improve access for food stamp-eligible households or to develop and implement simplified application and eligibility systems.
- Restores Benefits to Legal Immigrants – Restores food stamp benefits to all children made ineligible by welfare reform. Restores benefits to disabled individuals who were in the U.S. after August 22, 1996. Restores benefits to legal immigrants who have been in the country at least five years. Burden will be on states to determine how an individual entered the U.S.
- Encourages Payment of Child Support – Encourages collection of child support by changing the current child support deduction to an income exclusion.
- Simplifies Definition of Resources – Allows states to conform to TANF or Medicaid asset rules.
- Simplifies Determination of Housing Costs – Allows states to use a standard deduction from income of \$143 per month for homeless households with some shelter expenses.
- Simplifies Utility Allowance (SUA) – Allows states that mandate the use of standard utility allowance to use the full SUA for households that share utility expenses with individuals not in the Food Stamp program and for public housing residents with central meters who pay for excess utility expenses.
- Raises Asset Limit for Disabled – Raises the resource limit for households with a disabled member to \$3,000.
- Reduces Reporting Requirements – Extends a semi-annual reporting option to all households.
- Requires Internet Applications – Requires states that have a website for the state agency administering food stamps to make the application form available on the website in all the different languages the state already makes available. Effective date is 18 months after enactment.
- Eliminates Cost Neutrality for Electronic Benefit Transfer (EBT) – Eliminates the requirement that a state's EBT system be cost-neutral relative to the cost of the state's coupon issuance system.

## **FOOD STAMP PROGRAM**

### *Transfer to DHFS:*

Sue Reinardy, Administrator for the Division of Management and Technology of the Department of Health and Family Services, provided an update on the Food Stamp program transfer.

The plan that has been prepared for the transfer of Food Stamps and other IM functions will soon be sent to the Department of Administration, as directed by Act 16. The plan is subject to review by the Joint Committee on Finance. An Administrator's memo will be sent to all IM agencies within the next few weeks to describe the changes that will occur in state-level responsibilities.

The service delivery system for IM is built upon three inter-related sets of functions:

- Services performed at the local agencies and covered under the terms of the IM Contract;

- The support of the CARES system for eligibility determination, case processing and case management functions; and
- Responsibilities of the state agencies.

The purpose of the state-level administrative changes made in Act 16 are to:

- Streamline the administration of the IM programs in order to improve customer service;
- Minimize local agency workload; and
- Use administrative funding as wisely as possible.

Placing responsibilities for both programs in one department will increase the opportunities to align Food Stamp and Medicaid eligibility policies and foster coordination between the Food Stamp program and other nutrition programs administered by DHFS.

DWD and DHFS will continue to work together to perform the statewide functions that support local agencies and the service delivery system. The two Departments will establish a new Memorandum of Understanding (MOU) to cover the new arrangements and other transition issues associated with the changes in responsibilities.

DWD will continue to administer the following:

- Food Stamp Employment and Training program (FSET).
- Collection of overpayments for AFDC, W-2, Child Care benefits, Food Stamps and Medicaid.
- Partner Training Unit.

Units moving to DHFS will include:

- DWD Program Operations Bureau regional office staff will not work on IM programs after July 2002. Their responsibilities will be shifted to DHFS staff based in Madison.
- The Call Center.
- Fraud/Program Integrity.

Both DWD and DHFS will jointly manage the CARES system, with administrative responsibilities placed with the Administrative Services Division of DWD.

#### *IM Contracts:*

The 2003 contracts will be developed and administered by DHFS. The plan is to incorporate IM requirements into the current DHFS/county and DHFS/tribal contracts as a new contract addendum. Proposed changes in the contract language of the IM addendum are now under discussion with the WCHSA Economic Support Technical Advisory Committee, DWD and DHFS staff.

#### *DHFS Organization:*

DHFS will establish a new Bureau of Income Maintenance Administration in the Division of Health Care Financing effective July 1, 2002 to house the positions and functions moved from DWD.

The management team will combine current DWD managers and two new positions, a Bureau Director and a section chief for IM program management functions.

The six months from July to December will be used to develop a formal reorganization plan to take effect in 2003.

This provides lead-time to implement SeniorCare, assess and plan for new Food Stamp management issues including those associated with the reauthorization of the Farm Bill, and to consider opportunities to improve DHFS services to both IM agencies and to community-based agencies.

## **SENIORCARE UPDATE**

### *Implementation:*

Jim Jones and John Haine gave an update on SeniorCare implementation. SeniorCare is on track for implementation with the application and instructions being available to the public beginning in July. The MA waiver is expected to be signed very soon.

John Haine explained that numerous publications are being developed for SC. These include the:

- SeniorCare Instructions and Application
- SeniorCare Fact Sheet
- SeniorCare Brochure
- SeniorCare Participant Handbook
- SeniorCare MA Handbook Appendix
- SeniorCare Pre-Application Guide
- Posters
- Counter Displays
- Website Materials

A distribution plan for these publications is being developed.

### *Training:*

Training will take place to help train senior aging network staff to assist seniors in filling out the applications. Trainings will begin in June. Some groups participating in training include AARP, Benefit Specialists, and CWAG. There will also be SC Proshop and Coaches Corner training.

### *CARES:*

Integrated testing has begun in CARES. Systems and user acceptance testing will occur in June and July for SeniorCare.

## **MANAGEMENT EVALUATION QUALITY CONTROL (MEQC)**

John Haine explained to the committee the new QA work that is being done in BHCE. Vicki Jessup is the new QA Manager.

It was explained that states are required to conduct quality control reviews for the Medicaid program. For federal fiscal year (FFY) 2002, DHCF will be conducting a special project focused on evaluating the impact of the Medicaid Program Simplification and the reduced verification changes which were implemented statewide July 2001.

The primary goals of the MEQC 2002 review project are to:

- Assess the impact of Program Simplification on the accuracy of Medicaid eligibility determinations and identify potential areas for policy and program improvement.

- Evaluate the impact that Program Simplification has had on customer service and the workload of county/tribal agencies.

The process of this review will include a random sample of CARES cases with application or denial/termination dates from October 2001 through September 2002 which will be selected monthly. To assess the impact of the program simplification on accuracy of Medicaid eligibility determinations, DHCF staff will review both active and negative actions. There will be approximately 400 active cases and 220 negative cases randomly selected for review.

DHCF will conduct reviews from June through December, 2002.

The reviews will provide excellent feedback on how the simplified process is working and assist in evaluating whether any changes need to be made.

### **IM PRELIMINARY '03 ALLOCATION**

Jodi Ross, of DWD, provided a "draft" allocation worksheet to the committee. Jodi explained in detail the worksheet; small agencies with caseloads of between 1-200 cases would each receive a base allocation of \$97,600; those with caseloads between 201 and 499 would receive a base allocation of \$160,644; and those with caseloads above 500 would receive the base allocation of \$160,644, but would also receive some additional dollars based on the number of cases over 500. The total IM allocation is \$57,362,531.

Ed Kamin explained that from the morning CIC TAC meeting that he will take a recommendation to WCHSA next Tuesday, May 21, 2002 to leave the allocation at the 2002 level and add Potawatomi tribe's allocation of \$97,600 to the mix therefore resulting in a little bit lesser allocation for 2003 for the agencies with more than 500 cases. A recommendation was also made to ask that a s. 13.10 request be made to Joint Finance asking for more money.

### **GENERAL DISCUSSION**

#### *Case Directory:*

Jim Jones explained that he had received a few of responses to his questions about the use of the paper case directory. From the responses Jim received it appeared many counties do use the paper version. Jim explained that he will continue to take comments from agencies and follow up on the responses he has received to see what the best way would be to provide case directory information to the agencies.

#### *HIPAA:*

Ed Kamin asked if there was any new information on HIPAA. Jim Jones explained that the information he had on HIPAA would be that HIPAA have no effect on CARES regarding eligibility.

### **CARES UPDATES**

Jill Jokela provided a handout with updated information on CARES. April CARES highlights include:

#### *Child Care Enhancements:*

- Implemented new web functionality to make remittance stub/notice report immediately available to providers on Monday morning.
- Incorporated the new FPL rates by reprocessing all future authorizations through the April 27<sup>th</sup> Child Care Authorization mass change.

*Food Stamp Fair Hearing Changes:*

Automated the Food Stamp Fair Hearing process in CARES to give the client an additional 180 days before a collection is due once a Food Stamp Fair Hearing decision is made in the State's favor. Change complies with the new FPLs requiring the allotment of additional days for benefit recover in the Food Stamp Fair Hearing cases.

*Recertification Modifications:*

Modified the eligibility process to ensure clients receive the initial month's benefits for a program for which the client is re-applying at the same time the client is completing the review for another program. There would be further discussion on this at the next Business Manager's meeting.

**The next meeting will be:  
June 20, 2002  
State Capitol, Room 300NE  
1:00 p.m. to 3:30 p.m.**

